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Sens. Allen and Stamas introduce legislation to protect health centers from property taxation

LANSING – Legislation introduced in the Michigan State Senate on Thursday would protect federally funded health centers by defining them as property-tax exempt entities, announced state Sens. Jason Allen and Tony Stamas.

Allen and Stamas sponsored Senate Bill 784 after learning the East Jordan Family Health Center in the 37th Senate District and Thunder Bay Community Health in the 36th Senate District recently received tax bills for the first time.

"We are clarifying in statute that federally funded health centers, which provide health care to uninsured patients, should not be subject to property taxes," said Allen, R-Traverse City. "The vital role these centers provide to our communities make them an invaluable resource. By imposing new property taxes it jeopardizes their ability to provide quality care."

Federally Qualified Health Centers (FQHCs) provide health care services to high risk and special needs populations. According to the Michigan Primary Care Association (MPCA), the federal program requires FQHCs be located in medically underserved communities with severe shortages of primary care physicians.

"Taxing these health centers makes absolutely no sense," said Stamas, R-Midland. "Thunder Bay Community Health provides essential services to the residents of Montmorency County and taxing them would act as a disincentive for providing much needed health care."

The MPCA estimates that FQHCs saved Michigan \$35 million in 2001 in state Medicaid expenditures alone.

"These health centers provide a critical service to the residents of this state and by taxing them it only impedes their ability to care for our fellow citizens who need it the most," Allen said. "Historically, Federally Qualified Heath Centers have never been subject to property taxes and I want to make sure it stays that way."

SB 784 was referred to the Senate Committee on Finance.